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ECONOMIC COMMISSION FOR AFRICA (ECA)

ORGANIZATION OF AFRICAN UNITY (OAU)

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (UNIDO)

AN EVALUATION OF THE THREE ALTERNATIVE OPTIONS SUGGESTED BY THE SEVENTH MEETING OF THE FOLLOW-UP COMMITTEE ON INDUSTRIALIZATION IN AFRICA FOR THE MANAGEMENT OF AIDF

Addendum

LC/NAIROBI

1. On completion of the draft document on this subject, a copy was sent to ADB for further comment, followed by cables addressed to the ADB President and the Secretary General from the ECA Executive Secretary. ADB responded with the following telex message dated 3 February 1984:

" GG 1880 - FOR PROFESSOR ADEBAYO ADEDEJI PLEASE REF YOUR TELEXES IND/IDS/0003 DATED 5 JAN. 1984 ON FINALISING MANAGEMENT AGREEMENT OF PLENIPOTENTIARIES ESTABLISHING THE AIDF STOP WE HAVE ON 26/01/84 SENT YOU FOLLOWING MESSAGE ON THE ISSUE CONFIRMING AGREEMENT ON POINTS REACHED WITH YOU STOP QUOTE: THIS IS TO ACKNOWLEDGE RECEIPT OF YOUR TELEX OF JANUARY 10 1984 AND TO CONFIRM POINTS ON WHICH AGREEMENT WAS REACHED DURING OUR MEETING ON 5 DECEMBER 1983 IN ADDIS ABABA.

(AAA) POLICIES OF AIDF SHALL BE DETERMINED BY THE BOARD OF GOVERNORS OF AIDF NAMELY A BOARD COMPOSED OF THE MINISTERS OF INDUSTRY OF MEMBERS OF AIDF (SEE ARTICLE 13 OF THE AIDF AGREEMENT).

(BBB) RESOURCE MOBILIZATION STRATEGY AND PLANNING SHALL BE THE RESPONSIBILITY OF THE BOARD OF GOVERNORS.

(CCC) BANK TO REPORT TO THE AIDF BOARD OF GOVERNORS PURSUANT TO COOPERATION AGREEMENT TO BE CONCLUDED WITH BANK AND PARTIES TO AIDF AGREEMENT UPON PRIOR APPROVAL OF BANK BOARD OF GOVERNORS.

(DDD) MANAGEMENT FUNCTIONS WILL BE AS SHALL BE SPECIFIED IN COOPERATION AGREEMENT TAKING INTO CONSIDERATION THE NEEDS OF THE FUND.

(EEE) AFRICAN MINISTERS OF INDUSTRY OF AIDF MEMBER COUNTRIES SHALL CONSTITUTE BOARD OF GOVERNORS OF AIDF.

(FFF) IN THE INTEREST OF MINIMIZING RUNNING COST SUGGEST THAT BOARD OF DIRECTORS BE COMPOSED OF EACH MEMBER OF THE BOARD OF DIRECTORS OF THE BANK WHO HAS BEEN ELECTED IN AN ELECTION IN WHICH THE VOTES OF AT LEAST ONE MEMBER OF THE BANK WHICH IS ALSO A MEMBER OF AIDF SHALL HAVE COUNTED TOWARDS HIS ELECTION. THIS WILL ENSURE NECESSARY LINK BETWEEN DIRECTORS AND COUNTRIES REPRESENTED WHILE SUCH DIRECTORS BEING ALREADY RESIDENTS WILL BE READILY AVAILABLE FOR MEETINGS AND CONSULTATIONS AND WILL NOT IMPOSE SUCH HEAVY ADDITIONAL FINANCIAL BURDEN TO AIDF AS WOULD BE THE CASE IF NEW DIRECTORS ARE APPOINTED (SEE ARTICLE 16(B) SECOND DRAFT AIDF AGREEMENT).

(GGG) ON THE BASIS OF ABOVE BANK MANAGEMENT IS PREPARED TO FINALIZE WITH AIDF THROUGH ECA A COOPERATION AGREEMENT IT BEING UNDERSTOOD THAT THE CONCLUSION OF SUCH AN AGREEMENT WILL BE SUBJECT TO PRIOR AUTHORIZATION OF THE BANK BOARD OF GOVERNORS UNQUOTE WOULD BE GRATEFUL YOU ACKNOWLEDGE RECEIPT STOP HIGHEST REGARDS. YUMA M.L. SECRETARY GENERAL."

2. In acknowledging receipt of the above, the ECA sent the following telex message dated 8 February 1984.

"IND/IDS/0023 - FOR YUMA M LUSAMBIA, SECRETARY GENERAL GRATEFUL FOR URTEL GG 1880 OF 3 FEBRUARY 1984 CONFIRMING POINTS ON WHICH AGREEMENT WAS REACHED WITH YOU DURING OUR MEETING ON 5 DECEMBER 1983 IN ADDISABABA REGARDING MANAGEMENT OF AIDF. WE HAVE NOTED YOUR SUGGESTION THAT BOARD OF DIRECTORS BE COMPOSED OF EACH MEMBER OF THE BOARD OF DIRECTORS OF THE BANK WHO HAS BEEN ELECTED IN AN ELECTION IN WHICH THE VOTES OF AT LEAST ONE MEMBER OF THE BANK WHICH IS ALSO A MEMBER OF AIDF SHALL HAVE COUNTED TOWARDS HIS ELECTION. THE SUGGESTION SHALL BE INCLUDED AS ADDENDUM TO DOCUMENT ON OPTIONS TO BE SUBMITTED FOR CONSIDERATION BY FORTHCOMING CONFERENCE OF AFRICAN MINISTERS OF INDUSTRY MEETING IN MARCH 1984. IT IS NOT CLEAR HOWEVER IF YOUR SUGGESTION AGREES WITH FINAL DRAFT ARTICLE 15(2) OF AIDF AGREEMENT WHICH STIPULATES THAT QUOTE THE BOARD OF DIRECTORS SHALL BE COMPOSED OF MEMBERS OF BOARD OF DIRECTORS OF THE BANK WHO REPRESENT MEMBERS OF THE FUND UNQUOTE. PLEASE ELABORATE. REGARDS. ADEBAYO ADEDEJI EXECUTIVE SECRETARY."